
DEPARTMENT OF THE ARMY

Hqs, 123d U.S. Army Reserve Command

ATTN: AFKE-AC-INPE-SM (ACES)

Building 126

Fort Benjamin Harrison, IN 46216-6400

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DEPARTMENT OF THE ARMY

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AFKE-AC-INPE-SM (AFPR-RT-SAB/12 Mar 87) 1st End
SUBJECT: Financial and Educational Benefits Summary

CPT Tucker/mmh/5093

HQ, 123d ARCOM, Bldg 126, Ft Ben Harrison, IN 46216-6400 29 Apr 87

TO: Member, 123d U.S. Army Reserve Command

1. Many financial and educational benefits are available to you as a soldier in the U.S. Army Reserve. I encourage you to take advantage of these benefits.
2. If you are now attending or planning on attending college full or part time, you may be eligible for the Student Loan Repayment Program, the New G.I. Bill, or the Army Continuing Education System. In addition to the education benefits you may be eligible for a reenlistment bonus.
3. You are a vital resource to the national security of the United States. We care about you. Take time to read the information provided.
4. For more information on your benefits, ask your first line leader, and utilize your chain-of-command.

FOR THE COMMANDER:

Encl
nc



LEO SCHLOTTER
COL, GS, USAR
Deputy Chief of Staff, Personnel



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY FORCES COMMAND
FORT MCPHERSON, GEORGIA 30330-6000

SENT BY
ATTENTION OF

AFPR-RT-SAB

SUBJECT: Financial and Educational Benefits Summary

Commander, Continental US Army, ATTN: Strength Management Officer
Commander, Major US Army Reserve Command, ATTN: Strength Management Officer
Commander, Readiness Group, ATTN: Strength Management Officer

1. The enclosed financial and educational benefits summary provides an explanation of several programs not clearly understood by many reservists. Please reproduce and distribute this information as needed.
2. This information will not be available through the Retention Publicity Item system for at least a year due to the lead time required in dealing with the Army's contacted advertising agency and a change in agencies. We are unable to provide additional copies of the enclosed summary due to printing budget restrictions.
3. For further information on the above, contact: MAJ James M. Yonts, AUTOVON 572-3296.

FOR THE DEPUTY CHIEF OF STAFF, PERSONNEL:

Encl

Alex J. Ahrens
ALEX J. AHRENS
COL, GS
Chief, Retention Division

CF:

COL Sanders, RC Advisor
COL Villa, WESTCOM
LTC Bielen, USAREC
LTC Keenan, FORSCOM PAO
LTC Rockwell, OCAR
LTC Smith, HQDA
MAJ Brumfield, NCESGR
MAJ Miller, Alaska
MAJ Sanders, Third US Army
Mr. Hanley, OCAR PAO

Eligibility begins upon reenlistment. Your unit technician will submit appropriate forms to the U.S. Finance and Accounting Center for your payment. It usually takes two or three months for this payment to be made.

Your anniversary payments are due upon the last day of satisfactory completion of each year of service. An anniversary payments message should appear on your Leave and Earnings Statement (LES). Again, gently remind your technician to verify your satisfactory participation and submit the proper finance documents. A payment schedule follows:

<u>Period</u>	<u>6 year bonus</u>	<u>3-5 year bonus</u>
Initial	\$ 500	\$ 250
end of year 1	200	200
end of year 2	300	400
end of year 3	300	400
end of year 4	400	
end of year 5	400	
end of year 6	400	
	<u>\$2500</u>	<u>\$1250</u>

Procedure:

When you enter the "reenlistment eligibility window" of your ETS, you may immediately reenlist in your unit or MOS position if you meet all other eligibility criteria. You will read and sign a DA Form 5261-2-R (Reenlistment Bonus Addendum) along with your other reenlistment papers. This form spells out all the entitlements, obligations, and conditions of suspension and termination, so read it carefully. Keep your copy handy for reference during your "hitch".

If this incentive program changes in future years, the terms of your contract remain intact. What if you recently changed units or MOS position and your ETS is approaching, but you are not yet MOS-qualified for your position? You don't necessarily have to miss out on your bonus. If otherwise qualified, you may extend your current enlistment for up to a year while you complete your MOS qualification. However, there is no guarantee that the reenlistment bonus will still be authorized.

Obligations:

Besides your continued satisfactory participation in your unit training activities, you must remain within your MOS. If you voluntarily transfer to another unit, even though your civilian job relocated you, you may lose part of your bonus.

If you accept a permanent civilian position requiring Reserve membership as a condition of employment (for example, Army Reserve Technician) within six months of reenlistment, you are subject to recoupment of part of your bonus. Again, read your addendum for a complete listing of the contract conditions. Ask your retention NCO or unit technician to help you get answers to your questions.

Fill in Part I of the Selected Reserve Soldier's worksheet as it applies to your situation.

FINANCIAL AND EDUCATIONAL BENEFITS

AVAILABLE TO SOLDIERS IN THE UNITED STATES ARMY RESERVE

There are many different financial and educational benefit programs available to Army Reservists today. Most qualify for at least one type of financial or educational benefit. Many of these benefits were not available when you first joined the United States Army Reserve (USAR). The purpose of this booklet is to let you know about the programs which are available, and why now, more than ever, it pays to stay with the USAR. A worksheet has been provided to help you determine the value of the benefit or combination of benefits available to you.

Selected Reserve Incentive Program

Cash and educational benefits may be available to you when you reenlist.

If you are a member of the Selected Reserve, Troop Program Unit (TPU) or Individual Mobilization Augmentee (IMA), and are reenlisting for a valid position vacancy in a unit or MOS which has been designated by Headquarters, Department of the Army (HQDA) for a reenlistment bonus, you could be eligible for extra cash. Eligible skills and bonuses are subject to change, so check with your unit retention NCO, or technician for the current eligibility criteria. As of this writing the following amounts and criteria apply:

If you will have less than six years total military service upon your current Expiration of Term of Service (ETS), and you reenlist for six years, you may be eligible for \$2500 cash.

If you have at least six, but not more than ten years total military service upon your current ETS, and reenlist for six years, you may be eligible for \$2500. If you fit in this category, but elect to reenlist for three, four, or five years, you may be eligible for \$1250.

Qualifications:

Meet all immediate reenlistment eligibility criteria of AR 140-111.

Are in the "reenlistment eligibility window" (three months before to 24 hours after current ETS).

Have not previously received a reenlistment bonus.

Are Military Occupational Specialty (MOS) qualified in the duty position held in your unit. (Exception: Drill Sergeants in valid drill sergeant positions, as long as Specialty Skill Identifier (SQI) "X" qualified, may have an MOS mismatch).

Are no more than two grades lower than specified for the vacancy.

Have been a satisfactory participant in the Selected Reserve for the three months preceding reenlistment.

Individual Ready Reserve (IRR) Bonus = Cash

If you extend or reenlist in the IRR for at least three years in a HQDA designated MOS, you could receive a cash bonus of \$750. If membership in the Selected Reserve is not possible or desirable (even after reading this booklet) for you right now, you may still receive cash for remaining a part of the pre-trained force in the IRR. For the latest information on the MOS eligible for this bonus, call ARPERCEN Retention Branch toll free at 1-800-325-1869 (in Missouri call collect (314) 263-7402).

Qualifications:

Be within six months of expiration of statutory or contractual military service (whichever is later).

Have a Primary Military Occupational Specialty (PMOS) approved for the bonus by HQDA.

Have completed no more than 14 years total military service at current ETS or when previously discharged, whichever is later.

Not be barred from reenlistment in the USAR.

Payment Schedule:

Your initial payment of \$250 (less taxes) is due upon your reenlistment, the remaining two payments of \$250 each (less taxes) is payable at the end of satisfactory completion of your first and second contract years.

Procedure:

Selected Reserve members must reenlist for at least three years with concurrent transfer to the IRR. If you are a TPU soldier, your unit will reenlist you and request your transfer in one set of documents. These include the DA Form 4 series (Reenlistment), the DA Form 4688 series (Service Requirements), the DA Form 4651-R (Request for Reserve Component Assignment or Attachment) and the DA Form 4977-R (IRR Bonus Agreement). The Bonus Agreement spells out all of the bonus entitlements, qualifications, and conditions of termination and recoupment. Your unit will have to telephonically request a bonus control number from ARPERCEN Retention Branch and put that number must be in the appropriate blank on the agreement. ARPERCEN will process the bonus payment and send the check to the address you specify on the agreement.

Obligations:

Satisfactory participation in the IRR consists of responding to all official military correspondence, and keeping your personnel file up to date by reporting changes in address, emergency data, employment, etc. Participation in training (in pay status) may be required or merely offered to you - depending on your MOS and the needs of the Army. Normally the training period will not exceed 30 days in any year.

You must also stay in your bonus MOS for the duration of your reenlistment contract. If your situation changes, and you wish to transfer into the Selected Reserve, you may do so, and keep your bonus. However, joining the active forces, ROTC, or accepting appointment as an officer may cause loss of benefits. This is not punishment; you are trading one form of benefit for another.

Affiliation Bonus = Cash

The affiliation bonus is available to soldiers assigned to the IRR or Standby Reserve who still have a Military Statutory Obligation (MSO). Your transfer (affiliation) to a TPU can earn you \$50 for each remaining month of your MSO. This also applies to soldiers transitioning from Active Duty to a TPU provided they meet the qualifications.

Qualifications:

Cannot have enlisted under the IRR Direct Enlistment Program.

Have satisfactorily completed the active duty obligation of your enlistment agreement.

Have a remaining MSO.

Meet all other requirements for membership in the Selected Reserve.

Have the grade and MOS for the position you will be filling.

(Exception: Drill Sergeants in valid drill sergeant positions, as long as Specialty Skill Identifier (SQI) "X" qualified, may have an MOS mismatch.

Payment Schedule:

If you have 18 months or less remaining of your MSO, you are due the entire bonus in a lump sum. For example, if you have six full months remaining of your MSO, you are due $6 \times \$50 = \300 .

If you have more than 18 months left, one-half of your total sum is due right away, and the other half is due upon the fifth anniversary of your MOS.

Procedure:

Your career advisor at ARPERCEN can be of assistance to you when trying to find a unit, but the best way to get the ball rolling on this program is to seek out the Army Reserve Centers in your area to see if there are any vacancies in your MOS and grade. If there are, the unit technician may prefer to refer you to the unit's dedicated USAR recruiter to do the leg work in verifying your eligibility for membership in the Selected Reserve, and to begin filling out the documents necessary for your transfer. The technician can do this him/herself, but you will find that they are very busy with many different responsibilities, and might prefer to put you in the hands of the recruiter who is a specialist in this area. After the unit commander or his representative has accepted you for membership, you will complete the documents, which will be sent to ARPERCEN. ARPERCEN will cut the transfer order.

Your transfer packet will include DA Form 4651-R (Request for Reserve Component Assignment), the DA Form 3540 Series (Certificate and Acknowledgement of TPU Membership Service Requirements), and DA Form 5261-3-R (Affiliation Bonus Addendum).

A gentle reminder to your unit technician that finance documents need to be submitted so that you can receive your payment will be appreciated. Then be a little patient; it'll take two to three months for the payment to appear in your monthly drill check.

Obligations:

You must remain a satisfactory participant in your unit for the duration of your contract. You must remain in a duty MOS for which you are qualified. The addendum spells out all of the qualifications, entitlements, obligations, and conditions of termination and recoupment.

When your statutory and contractual obligations are fulfilled at ETS, you may be eligible for reenlistment benefits.

Use Part II of the Selected Reserve Soldier's Worksheet if this program applies to you. You can use the other parts to plan what future benefits might be added to this one.

Student Loan Repayment Program

This good deal can be in addition to a Enlistment or Reenlistment Bonus. The Army will pay off at least part of certain types of student loans, in exchange for at least three more years of training and work in an MOS listed by HQDA. For each year of your enlistment or reenlistment, the Army will pay off 15 percent of the original balance of the loan plus accrued interest, or \$500, whichever is greater. The maximum amount that can be repaid is the outstanding loan or \$10,000, whichever is less. The Army will not repay any defaulted loans. This incentive is easier to understand if we use a few examples:

Case I. After graduating from high school in 1980, you joined the Army for two years with a four-year Reserve obligation (2 x 4). Upon your release from active duty in 1982, you started college and secured an Army-approved student loan for \$2000. You continued your education full time; you have made no payments; and no interest has accrued on your loan. In June 1986, you reenlisted for six years and the Student Loan Repayment Program (SLRP)

$$\$2000 \times .15 = \$300$$

Or

$$\$500 \text{ per year}$$

Since \$500 is the larger amount, your lending institution will receive \$500 in June 1987. Your entire debt will be paid off in 1990. The chart below shows the payment schedule.

June 1987	\$ 500
June 1988	500
June 1989	500
June 1990	500
	<u>\$2000</u>

Case II. As in Case I, you graduated from high school in June 1980, and joined the Army on a 2 x 4 contract. You were released from active duty and secured a \$2000 student loan in September 1982 (Loan A). After receiving your associates degree in May 1984, you went to work. To make this example easier to follow, you haven't had to start making payments, and no interest has accrued on loan A. In June 1986 you reenlist in the Selected Reserve for six years, and decide to go back to school to get your baccalaureate degree. In September 1986, you qualify for, and take out another Army-approved student loan for \$2000 (Loan B). You may secure new loans after your reenlistment. Payments to the bank are made on the anniversary of your enlistment, and 12 months of service must have elapsed since you secured Loan B. In June 1988, you will have served for 21 months (1.75 years) since you secured the loan. The chart on the next page illustrates the calculations and payment schedule:

Qualifications:

Have AFQT Category I, II, or IIIA (50 or higher).

Qualify for reenlistment in the Selected Reserve and be MOS qualified in your contract MOS. This MOS must also be approved by HQDA for this program.

Enlist for six years or reenlist for at least three years.

	Balance Before Payment					
June 1987						
Loan A	\$2000	.15 x 2000 = \$300	Or \$500		Payment = \$500.00	
Loan B	2000	(not authorized for payment this year)				
June 1988						
Loan A	1500		300			
Loan B	2000	.15 x 2000 x 1.75 =	<u>525</u>			
			825	Or \$500	Payment = \$825.00	
June 1989						
Loan A	1200		300			
Loan B	1475		<u>300</u>			
			600	Or \$500	Payment = \$600.00	
June 1990						
Loan A	900		300			
Loan B	1175		<u>300</u>			
			600	Or \$500	Payment = \$600.00	
June 1991						
Loan A	600		300			
Loan B	875		<u>300</u>			
			600	Or \$500	Payment = \$600.00	
June 1992						
Loan A	300		300			
Loan B	575		<u>300</u>			
			600	Or \$500	Payment = \$600.00	
Ending Balance				TOTAL	<u>3725.00</u>	
Loan A	0					
Loan B	275					

At ETS, after the 1992 payments to the lending institution(s) have been made, you will still owe \$275 on loan B.

Procedures:

To reenlist for this program, you must complete DA Form 5261-4-R. This is another addendum, which becomes a part of your enlistment papers. The types of student loans which can be repaid are listed, as well as all of the conditions and obligations of the program. When you meet the qualifications above, a DD Form 2057-5 is filled out by you, your unit, and the bank to begin the repayments.

Obligations:

These are nearly the same as for the Enlistment Bonus. You must remain a satisfactory participant, and remain working in your contracted MOS. Read the addendum for the special situations that might suspend or terminate payments, such as accepting a position as an Army Reserve Technician. Normally, the payments stop at the end of your reenlistment contract.

Use the worksheet, Part III, to figure out the benefit you are likely to receive based on your education plans.

The New GI Bill = Education Benefits

Did you qualify for some of the above benefits? Wait, there's more! (We know that sounds like a TV ad for a vegetable slicer, but there really is more!) You may receive a maximum of \$5040 for being a student working toward your baccalaureate degree at a Veteran's Affairs (VA) approved institution. Officers without a baccalaureate degree may also qualify. Continued membership in the Selected Reserve can qualify you for the following rate schedule:

Full-time	\$140 per month	x	maximum of 36 months	=	\$ 5040
Three fourths time	\$105 per month	x	maximum of 48 months	=	\$ 5040
one half time	\$ 70 per month	x	maximum of 72 months	=	\$ 5040

Although you may go to college in varying enrollment statuses. The maximum total amount you can receive is \$ 5040. Benefits can not be paid for an enrollment status less than half-time.

Eligibility Qualifications:

Be a secondary school graduate by the time you complete IADT.

Complete 180 days in the Selected Reserve.

Have not received a baccalaureate degree

Are not receiving an ROTC scholarship. Non-scholarship Simultaneous Membership Program (SMP) cadets are eligible.

Are not qualified for the All-Volunteer Force Educational Assistance Program (applies to prior active duty service soldiers only).

Between 1 Jul 85 and 30 Jun 88, you must enlist or reenlist for at least six years. Enlisted members must extend their total obligation to six years while officers must agree to serve six years in addition to any other Selected Reserve obligation they have.

Procedures:

As a Selected Reservist, you should already have signed a DA Form 5435-R, Statement of Understanding. This form verifies that you are aware of the program. It remains in your files and does not obligate you to use the program.

Your unit will help you fill out DD Form 2384, Notice of Basic Eligibility (NOBE). It must be signed by your commander and certifies that you meet the eligibility qualifications to receive benefits. You keep the original NOBE and use it when you apply for the benefits through the Veterans Administration.

Eligibility:

If you remain a satisfactory participant, your entitlement expires after 10 years. If you reenlist after that, your eligibility will be extended for another 10 years. Your entitlement ends when you receive your baccalaureate degree or when your benefits have been exhausted.

Use part IV of the worksheet to figure out the benefit you could expect to receive based on your future plans.

Army Continuing Education System (ACES) = Tuition Assistance

The ACES Tuition Assistance (TA) Program can provide at least 75% of your tuition and fees towards a degree at an accredited institution. This program is designed to pick up where the new GI Bill stops. You may have noted that the new GI Bill doesn't help soldiers who wish to further their education part-time (one or 2 courses per semester or quarter).

All tuition costs will be paid for courses leading to a high school diploma.

Ninety percent of tuition costs will be paid for enlisted soldiers E-5 and above with less than 14 years service for courses leading to a college degree (Use BPED to calculate years of service). Seventy-five percent tuition assistance is available for all other soldiers for courses leading towards college and degrees.

Qualifications:

This program is available only to TPU members.

You cannot receive GI Bill or Veterans Education Assistance Program (VEAP) benefits at the same time as tuition assistance. If you chose to receive Education Assistance (EA) benefits when you enlisted and are still receiving payments, you are not eligible for tuition assistance. New enlistments under the EA program ended with the 1 Jul 85 start of the New GI Bill. Your cash enlistment bonus, reenlistment bonus or student loan repayment program benefits are not affected by tuition assistance.

You must have enough time remaining on your enlistment contract to be able to finish the course. You may extend your enlistment in order to do this.

Your school must also be accredited. If you have any questions about that, your unit technician can put you in touch with your Major US Army Command (MUSARC) education office, or nearest Army Education Center.

Procedures:

See a counselor at the school you wish to attend to make sure you will be accepted to the school, and to find out what courses you need to satisfy the degree requirements. Have the counselor help you fill out the course and cost data on DA Form 2171 (available at your unit, or nearest Army education office).

Take the form back to your unit and have your technician help you finish your part of the form. Your commander or designated representative will sign it to certify your eligibility and forward the form to the MUSARC education office for approval and funding.

The original copy of the approved form will be sent to your home and you must take it with you to register for the course(s). Give yourself plenty of lead time, so that you will have the approved form back before registration is closed and class starts.

You must go through this procedure every quarter or semester.

Obligations:

The school will bill the MUSARC for its portion. You will have to pay your portion and also buy your books and supplies.

You must show your MUSARC Education Services Officer that you passed the course within sixty days of its end. Unless you have a good reason for failing or for withdrawal, you may have to repay the Army.

Officers must agree to serve in the Selected Reserve for four years following completion of the courses.

You will need to do a little research into local tuition costs to use Part V of the Selected Reserve Soldier's Worksheet.

Health Professionals Loan Repayment Program

This program is available to Medical or Army Nurse Corps commissioned officers only. If you are a medical profession officer, or have plans to be one, read Army Regulation 135-7, Incentive Programs. Your unit technician should have this handy; it's in the front of the Reserve Components Personnel Manual.

SUMMARY

You will have to fill out the worksheet according to your plans for the future. Maybe the worksheet is helping you change your future plans by showing you new opportunities. You can see that continued membership in the Army Reserve is too good a deal to pass up. Don't forget those benefits you already have enjoyed, such as pay, PX shopping privileges, and meeting new soldiers with varied backgrounds, occupations, and ideas. Your continued contribution to the nation's defense is appreciated. And this is another part of what you earn is pride!

SELECTED RESERVE SOLDIER'S WORKSHEET

Part I

Reenlistment Bonus

Requires 3-6 year reenlistment in the Selected Reserve

Position is in HQDA-approved unit or MOS

3, 4, or 5 year Reenlistment = \$1250; 6 year Reenlistment = \$2500

Your expected benefit = _____

Part II

Affiliation Bonus

Available for those who have completed their active duty obligation, but have a remaining MSO.

Membership in TPU is required .

_____ X \$50 = _____
Total months MSO remaining Expected benefit

Part III

Student Loan Repayment Program

Requires at least 3-year reenlistment in the Selected Reserve

Position is in HQDA approved MOS

	<u>Amount</u>		<u>Year 1</u>	
	<u>outstanding</u>	<u>Amount of</u>	<u>original loan</u>	<u>x .15 = +Accrued</u>
				<u>interest =</u>

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

Year 2 _____

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

Year 3 _____

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

Year 4 _____

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

Year 5 _____

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

Year 6 _____

Loan A _____

Loan B _____

Loan C _____

Loan D _____

TOTAL _____ Or \$500 Payment = _____

TOTAL BENEFIT _____
(maximum \$10,000)

Part IV

New GI Bill

Requires 6 years remaining until ETS (between 1 Jul 85 - 30 Jun 88)

Enter below the months you would expect to spend in each time status to receive your baccalaureate degree.

Full-time	_____ months	x	\$ 140	=	_____
Three fourths-time	_____ months	x	105		_____
Half-time	_____ months	x	70		_____
TOTAL					_____
(\$5040 maximum)					_____

Part V

ACES - Tuition Assistance

Requires membership in Army Reserve (IMA should check with ARPERCEN career counselor for funding status).
No more than 2 courses per period (semester/quarter).

_____	X	_____	X	=	_____
Number of credit hours required to complete degree		Cost per hour	75% or 90% as applicable		

SUMMARY

Reenlistment bonus (if available)	Total Part I	_____
Affiliation bonus (if applicable)	Total Part II	_____
Loan Repayment (if available)	Total Part III	_____
New GI Bill	Total Part IV	_____

Total Value of Benefit
(Note: not all cash in your pocket)
Or

Reenlistment bonus (if available)	Total Part I	_____
Affiliation bonus (if applicable)	Total Part II	_____
Loan Repayment (if available)	Total Part III	_____
ACES Tuition Assistance	Total Part IV	_____

Total Value of Benefit
(Note: not all cash in your pocket)

